STATEMENT BY MINISTER

Allocation of imported edible oils to the Vanaspati Industry

THE MINISTER OF STATE OF THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI SUKH RAM): Mr. Vice-chairman, Sir...I rise to make a statement on the future policy about the allocation of imported edible oils to the vanaspati industry.

It has been the consistent policy of the Government to ensure the availability of vanaspati at reasonable prices throughout the country. Unfortunately, due to the drought conditions prevailing in the country during the last three years, the Government resorted to the imported of large quantities of edible oils, of which some quantities were released to the vanaspati industry at varying percentage from time to time but the major share was allocated to States/UTs for distribution through the Public Distribution System.

Presently the vanaspati industry is permitted to use 100 per cent indigenous oil and in lieu thereof they are allocated 40 per cent imported edible oil at the normal rate Rs. 15,000 per MT and 40 per cent at the commercial rate of Rs. 19,000 per MT wherein the sales tax and road freight charges etc. are reimbursed. This is being done to ensure the availability of vanaspati an essential commodity at uniform consumer prices throughout the country, which is presently Rs. 350 per tin of 15 kg. (exclusive of local taxes). As regards the usage of indigenous oils by the vanaspati industry, the manufacturers are precluded from using traditional oils like expeller groundnut and mustard oil so as to ensure their easy availability for direct consumption but have all long been encouraged to make maximum use of non-traditional oils and minor oils of tree and forest origin.

The Hon'ble Members will be pleased to know that this year because of the anticipated bumper crop of oilseeds throughout the country, the Government has reviewed the existing policy about the allocation of imported oils to the vanaspati industry with the twin objective of enabling the farmers to get attractive prices for their produce as also to reduce the dependence on imported oils, thereby saving precious foreign exchange. It nas now been decided by the Government to allocate imported oils to the vanaspati industry at the open window rate of Rs. 19,000 per MT i.e. without any reimbursement of freight, sales tax, etc. The new policy would be effective from 1st December, 1988.

To enlarge the oil basket for the vanaspati industry, the usage of solvent extracted groundnut and sesame oil have also been permitted in the manufacture of vanaspati. This would not only accelerate the extraction of groundnut and sesame cake but will also provide a better price for the oil cake and oilseeds resulting in increased benefits to the farmers. The Storage Control Order 1985 has been amended whereby limits have been revised upwards. The Reserve Bank of India has also been requested to relax the credit limits on the purchase of oilseeds so that more benefits accrue to the farmers.

The Government will continue to keep a close watch on the prices of edible oils vanaspati so as to take necessary remedial measures as and when warranted.

SHRI CHIMANBHAI MEHTA: (Gujarat): Mr. Vice-Chairman, just now the Minister has announced that—

> "It has been decided by the Government to allocate imported oils to the vanaspati industry at the open window rate of Rs. 19,000 per metric tonne, i.e. without any reimbursement of freight, sales tax, etc. The new policy would be effective from 1st December, 1988."

Till this date imported edible oil is being supplied to the vanaspati industry at the rate of Rs. 15,000 per tonne. Now they are increasing it by Rs. 4,000 per tonne. And they have also decided that no reimbursement will take place of freight and sales tax. This would result in disloca-

ting the policy that has been adopted by the Government till this date. There should be a uniform price throughout the country and, therefore, freight and sales tax are reimbursed. Now from next month this reimbursement would stop. What has it to do with the bumper crop? Under the pretext of a bumper crop, I can understand, when there is a local supply available, you may stop the import of oil or disallow it in the country. But why do you raise the price when, so many commodities are having higher prices? Therefore, what is the relation between the bumper crop and giving up the policy which was also considered as a very correct policy by the Parameswarn Committee? For so many years this policy has been followed that there would be a uniform price for vanaspati and, therefore, freight and sales tax should be reimbursed. Why have you given up this? There is no logical relation between the bumper crop and giving up this policy. So, kindly explain this to me.

DR. YELAMANCHILI SIVAJI (Andhra Pradesh): Sir, according to the figures given by the honourable Minister, vanaspati that is available in 15 kg. tins is selling at Rs. 350 per tin which amounts to something like Rs. 24 per kg. There is a wide gap between the price of edible oils and vanaspati. Vanaspati is being used by a small section, a fraction of the population that is residing in the urban areas and it never reaches the rural areas. So, why should we bother about it at all, about vanaspati and the vanaspati industry? Instead of encouraging these things and giving some concession or the other, we can as well do something else. There is no mechanism as it is to see how the retail prices behave. On the other hand, the Government is thinking on the lines of encouraging oil palm cultivation in the country as well as soyabean cultivation and other edible oil production in the country. So, what I would like to suggest is that the Government should see that all the imports of edible oils are withdrawn and the amount spent on importing edible oils can be allotted for the production of more edible oils in the country by encouraging the farmers. Thank you, Sir.

SHRI V. NARAYANSAMY (Pondicherry): Sir, I find a contradiction in the statement of the honourable Minister. In one line the Minister says that there is a bumper crop and, therefore, there is less scope for imports. The reason given by the honourable Minister is that the farmers will get remunerative prices and it will reduce the dependence on imports. But, on the other hand, the Minister says that the imported edible oil will be sold at Rs. 19,000 per tonne. I would like to know whether the Government has decided to stop totally the import of edible oils from other countries.

SHRI VITHALBHAI M. PATEL (Gujarat): Correct.

SHRI V. NARAYANASAMY: The reason is that we have a good monsoon this year and, apart from that, because of the high prices at which the oilseeds have been sold in the market, the farmers have gone in for the cultivation of this. When edible oil is imported from foreign countries and is sold in the open market have or if it is given to the vanaspati industry, the ultimate sufferer will be the farmer only. Now it is off-season and the groundnut crop will come into the market only next month. You will see the trend in the market now. Edible oil seeds are sold at a lower rate in the market as on date. Therefore, I would like to know from the Minister whether he is going to totally ban the import of edible oils this year. I want a categorical reply from the honourable Minister.

Secondly, with regard to the other things to be used, it is a non-traditional item like oil extracted from husks and other things and also from palm. For that, will any support be given by the Ministry for the farmers or even the industry to go in for non-traditional items?

DR. G. VIJAYA MOHAN REDDY (Andhra Pradesh): Mr. Vice-Chairman, Sir, I want to submit one particular fact which the Government should take into consideration. Any edible oil has got nutrition. These oils are very good for the health of a person. Oil is an essential

[Shri G. Vajaya Mohan Reddy]

health of a person. Oil is an essential dietary constituent. Nobody can go without having oil. Now, you have given licences. That means, a good edible oil which is more nutrious rich in unsaturated fatty acids, vitamins A and D is being converted into Vanaspati which will adversely affect the health of persons. And there is a barrage of propaganda about that. Now we are bothered that Vanaspati should be sold at a certain price, which you are never able to accomplish. Now, as our friend Sivaji has pointed out, it will work out to Rs. 24 per kg. It means with local variations it may go up to Rs. 25, Rs. 26 or Rs. 30. And it will make Vanaspati beyond the reach of anybody. That is why I want the Ministry first to see that there is a proper distribution into the public distribution system of edible oil for the consumption of the common man at a rate at which he will be able to purchase. At the same time, if you are in a position to do this, naturally the farmer will get his price. It is a very essential commodity. And I agree also that if there is really a bumper crop as has been postulated then the import of oil from other countries may not be required. I think this is what I want to submit.

SHRI ANAND SHARMA (Himachal Pradesh): Mr. Vice-Chairman, Sir, many of the clarifications which I wanted from the Minister have already been sought by some of my colleagues. But one thing I would like to point out. The statement as such is a bit confusing and it is contradictory also. It is confusing because if we look at the second paragraph we cannot make out as to what exactly is the meaning, what is attempted to the conveyed to us. It reads:

> "Presently, the vanaspati industry is permitted to use 100 per cent indigenous oil and in lieu thereof they are allocated 40 per cent imported edible oil at ..."

this rate and 40 per cent at that rate. I do not know how it makes 100 per cent. There is something wrong either with the language or the calculation. I would also like to know when this decision has been taken by the Government. We do welcome the attempt of the Government to attain self-sufficiency and to do away with the imports because we all know how precious our foreign exchange is and how important it is for us to build up reserves. Does this decision on the part of the Government mean that there will not be any imports of edible oil? We would like to have a categorical statement? Have we attained the stage of self-sufficiency?

Secondly, Sir, by changing the policy regarding the use of edible oils, and allowing the use of groundnut oil, on the one hand, we will be depriving the poor consumers also in the rural areas who can directly consume this oil, and in addition to that, by hiking up the price of imported oil, which means that it will continue to be imported, by doing away with the policy of reimbursement of freight, sales tax, etc., they are going to increase the price of vanaspati also. It has a two-fold effect. One, the vanaspati producers will benefit because you have reviewed the policy and brought them into the ambit of more edible oils which were hitherto consumed only by the poor people. Since we are now making available imported oils to the vanaspati industry at a higher rate, the price of Vanaspati is bound to go up in the urban areas also. We would like to have a categorical assurance from the hon. Minister as to whether these aspects have been considered and whether the consumer can be assured by the Government that these two prices will not go up and if it be so, they will change the policy accordingly. Thank you.

श्री सुख राम : उपसभाध्यक्ष जी, अभी कुछ माननीय सदस्यों ने जोश में अपनी जो आशंका जाहिर की है उसके बारे में मैं निवेदन करना चाहता हूं कि भारत सरकार की एक नीति है कि हम आयल के मामले में आत्मनिर्भर हों और पिछले 10 वर्षों को अगर हम देखें तो हमें पता चलता है कि हमारे देश में जो तेल पैदा होता है और जो तेल के बीज पैदा होते हैं जिनसे तेल बनता है उसमें और जितनी हमारी मांग है उसका अन्तर 15 लाख टन प्रतिवर्ष बैठता है और अब इस वर्ष चूंकि जैसा मैंने अपने स्टेटमेंट में कहा है, आयलसीड्स की पैदावार अच्छी है और उसमें एग्री-

कल्चर मिनिस्ट्री को जो इंस्टीमेट है वह करीब 45 लाख टन तेल पैदा होने की सम्भावना है और जो हमारी मांग है, जो सारे देश में तेल की माग है करीब 58 लाख है और जो प्लानिग कमीशन के मुताबिक है जो 56 लाख भी हो सकती है और इसको 54 लाख भी रखे तो उसमें जो अन्तर है वह हमको आयात करना पड़ेगा, इम्पोर्ट करना पड़ेगा। उसमें अगर यह माननीय सदन और सभी जितने भी इलेक्टेड रिप्रेजेंटेटिव्स है, वे अगर तय करलें कि स्केयर सिटी की कंडीशन में रहेंगे, अपने ही देश में चीजें पैदा करेंगे तो इसमें कीमते बढ़ेगी, इसमे कोई शक नहीं है क्योंकि जब उत्पादक को रिम्यूनरेटिव प्राइस नही देगे तो वह ज्यादा पैदा नहीं करेगा। इस वास्ते हमारी कोशिश है कि अभी जो सारा इम्पोर्ट है उसको बैन नहीं कर रहे है। इम्पोर्ट हमको कुछ करना पड़ेगा क्योंकि पब्लिक डिस्ट्रिब्यूशन सिस्टम में जो हमारा गरीब वर्ग है उसको ठीक दाम पर हमको तेल देना है। यह जो वनस्पति है जिसके बारे में कहा गया है कि इसको क्यों बनाया जाता है तो मैं यह कहना चाहता हूं कि अगर डायरेक्ट कंजम्पशन रा-आयल को हो जाये, लोगों को आदत पड़ जाये तो वनस्पति नहीं बनाये। लेकिन नार्दनी इंडिया में जितने लोग हैं वे वनस्पति खाने के आदी हैं। इस वास्ते वनस्पति बनना भी जरूरी है। उसमें करीब 10 लाख टन की जरूरत है। जितना वनस्पति खाने वाले लोग हैं, अगर उनकी मांग को पूरा करना है और जो हमारे यहां उत्पादन है, जो तेल वनस्पति इंडस्ट्री के लिये परिमिसिबल है उसको दें तो हमारे यहां का उत्पादन करीब 7 लाख टन है और जो हमने बंद किया, जो कंसेशन या नार्मल रेट जिसको कहते हैं, वह 15 हजार रुपये मिट्रिक टन था, उसी को बंद किया और जो 19 हजार रुपयों का है, जिसमें ट्रांसपोरटेशन चार्जेज, टैक्स वगैरह जो रिइम्बर्स नहीं होंगे, पहले रिइम्बर्स कर रहे थे, वह कितना बैठता है, यह मुझे मालूम नहीं, थोड़ा बढ़ेंगे, उसके बजाय 20 हजार हो सकता है। लेकिन जो कीमत कम हो रही हैं, जैसे अभी ग्राउन्ड आयल की कीमतें गिर रही थी, हमारे कृषक परेशान थे...(व्यवधान)। मैं जानता हूं, अगर हम वाकिफ नहीं होते तो इसको रिवाइज नहीं करते। पालिसी हमने इस वास्ते रिवाइज की है कि यहां का जो उत्पादक है उसको अच्छे दाम मिले ताकि अगले वर्ष और आने वाले समय में वह ज्यादा से ज्यादा आयल सीड्स पैदा करे। तो मैं समझता हूं कि उसमें कोई आपत्ति नहीं होनी चाहिये। इसमें अगर कमी पड़ती है, 3 लाख टन की कमी रहती है, जो कि परमीटेड आयल है उसमें और जितनी मांग है उसमें 3 लाख टन की कमी रहती है। उस कमी को दूर करने के लिये पहले जो ग्राउंड नट सालवेंट एक्सट्रक्टेड आयल था उसको पहले हम किसी एक सीमा तक अलाऊ करते हैं लेकिन अब उसे 100 परसेंट अलाऊ कर दिया है ताकि जो कमी है वह उससे पूरी कर सके। इसमें हम देखेंगे, अगर मान लिया जाये कीमते और गिरती हैं तो जो परमीटेड आयल हैं किस सीमा तक वनस्पति इंडस्ट्री को दे सकते हैं। यह सब हम देखेंगे। यह जो कहा गया...

श्री विठ्ठलभाई मोतीराम पटेल : मंत्री महोदय, तब तक किसानों का माल व्यापारियों के पास चला जायेगा।

श्री सुखराम : आप इस के लिये एक हफ्ता इंतजार कीजिये, दस दिन इंतजार कीजिये। फिर आपको मालूम होगा कि तेल की कीमत क्या होती है। मैं आपसे एक और भी निवेदन करना चाहता हूं कि जहां तक सिविल सप्लाई मिनिस्ट्री का ताल्लुक है, हमारी मिनिस्ट्री को उपभोक्ताओं का इंटरेस्ट भी देखना है। 25-30 रुपया किलो का तेल एक गरीब आदमी नहीं खरीद सकता है, हमें उसको भी वह ठीक दाम पर देना है। वनस्पति 19 हजार रुपया... (**व्यवधान**)... 16 हजार, साढ़े सोलह हजार, मेरे पास सारे आंकड़े हैं कि कितनी कितनी कीमत मार्केट में है। बहुत ही कम गिरी है। ऐसी बात नहीं कि नहीं गिरी। मगर हम चाहते हैं कि और ज्यादा न गिरे और कीमत ऐसे लेवल पर ठहर जायें कि हिन्दुस्तान के गरीब आदमी भी उसको खरीद सकें। हम यह इन्श्योर करेंगे कि मार्किट प्राइस ठीक रहे। इस पर हम वाच रखेंगे और यह देखना सिविल सप्लाई मिनिस्ट्री का काम है। हम तीनों का इंटरेस्ट

[श्री सुख राम]

देखेंगे । एक तरफ उत्पादक हैं जिसके इंटरेस्ट को हमें देखना है । उसकी रेमुनरेटिव प्राइस मिले जिससे उसकी पैदावार अच्छी रहे और दूसरी तरफ जो उद्योग है वे भी बंद न हों यह भी हमें देखना है । अगर उद्योग बंद होते हैं तब भी कन्ज्यूमर सफर करता है । तीसरी तरफ उपभोक्ता हैं । उनको भी ठीक दाम पर आयल मिलना चाहिये । इसके लिये पी.डी.एस. के माध्यम से जो इम्पोर्टेड आयल है वह हम देंगे । प्राइस कंट्रोल करने के लिये हम हर संभव उपाय करने का प्रयास करेंगे । प्राइस कंट्रोल करने के लिये जो हमारा मैकेनिज्म है उसमें अगर हम यह देखते है कि मार्केट में ज्यादा आ गया है तो हम पी.डी.एस. में कम कर देते हैं और जब लीन पीरियड होता है उस समय बढ़ा देते हैं । इस तरह से हम यह कोशिश करते है कि यह जो आयल है यह ठीक दाम पर लोगों को मिले । अभी सेन्टेंस के कंस्ट्रक्शन मे थोड़ा फर्क हो सकता है मगर आंइडिया उसमें यही है कि 40 परसेंट जो देते हैं 15 हजार के ऊपर और 40 परसेट जो 19 हजार के ऊपर है तो 15 हजार वाला खत्म कर दिया है और 19 हजार वाला रखा है । यह शिकायत वनस्पति इंडस्ट्री को नहीं होनी चाहिए कि हमारी इंडस्ट्री इसलिए बंद हो गयी कि जो परमीटेड आयल है वह नही मिल रहा है । ऐसी कोई बात नहीं है । 19 हजार टन, 20 हजार टन जितना आयल चाहिये, वह हम उनको देंगे । इस वर्ष हमारे पास काफी फारेन एक्सचेज था... (**व्यवधान**)...

SHRI ANAND SHARMA: Is the Government giving any direction to the Vanaspati industry that in the light of this particular policy decision, they will not raise the price? That is what is very important for the consumers today.

SHRI SUKH RAM: There was a voluntary price control. And this was on account of the fact that the Government has ben giving oil at the concessional rate. Up to the end of this month, it was 40 per cent at the rate of Rs. 15,000 per tonne. Now there is no voluntary control and as such the price level will depend upon the market forces or demand and supply. (*Interruptions*).

6 00 P.M.

SHRI ANAND SHARMA That is very clear then.

SHRI SUKH RAM: Rupees nineteen thousand is the commercial rate. We should not forget one thing that even indigenous oil is selling at the rates varying between Rs. 17,000 to 19,000 or Rs. 20,000. (*Interruptions*). But listen why are you getting so upset. You have to watch the interests of all the three sections, the producer, the consumer and millers also. So, when the indigenous oil is available cheaper than the oil at the commercial rate, imported oil at the commercial rate, why should they purchase or lift from the Government at the rate of Rs. 19,000 or Rs. 20,000 per metric tonne. In that case they will definitely purchase from the market and that will stabilise the price level in the market. That is the idea behind it. But supposing the price level is so much that it becomes more than Rs. 20,000, then they are at liberty to purchase from the STC which is its importing agency for this edible oil, then they can purchase. But we will not refuse and they should not have an excuse that for non-availability of oil they cannot run their factories. That is the idea behind it and I may tell you for your information that so far the lifting of this imported edible oil at commercial rate is very very insignificant. And I may assure you that even when we allow this edible oil rate at Rs. 19,000, lifting may not be much. (*Interruptions*) I have already made it clear that there was a voluntary price control and that was because we were giving them oil at the concessional rate. That is why we were importing, that Voluntary Price Control was there. But now since we are not giving oil at the concessional rate, this is more than the market, whatever we are giving it may be more than Rs. 20,000; because previously we were reimbursing this transport and tax charges etc. It may

be Rs. 800 or Rs. 900 per metric tonne... (*Interruptions*)

SHRI VITHALBHAI M. PATEL: At the rate of Rs. 20,000 from the open market, why should we allow?

SHRI SUKH RAM: The STC is supplying oil to the vanaspati industry.

DR. YELAMANCHILI SIVAJI: At Rs. 19,000 or so, what is the purchasing price of the STC abroad as far as edible oil is concerned and what is the issue price in PDS?

SHRI SUKH RAM: It is definitely less than Rs. 19,000. (*Interruptions*). We are not losing in PDS?

DR. YELAMANCHILI SIVAJI: My point is that STC is gaining hunddreds and thousands of rupees by importing oil and selling it at a higher rate in PDS. It is looting the public.

SHRI SUKH RAM: You see, the differences between PDS and open market has also to be very reasonable. Otherwise, if the gap is big there is the danger of diversion from PDS to other unauthorised channels. That is why there has to be a reasonable gap between the two. So, in order to ... .

DR. YELAMANCHILI SIVAJI: My question is what is the purchasing price by STC in international market for edible oil and what is the issue price and what is the issue price for PDS and vanaspati industry. I want just three figures and that is all.

SHRI SUKH RAM: Anyway, you see, there has been a ... .

THE VICE-CHAIRMAN (SHRI B. SATYANARAYAN REDDY): Have you got those figures?

SHRI SUKH RAM: Those figures are not available. They must be available with the STC because the entire import is being done by the STC and that is under Commerce Ministry and not under the Ministry of Civil Supplies.

श्री सुरेन्द्रजीत सिंह अहलुवालिया : (बिहार) : एडीबुल आयल्स के आयात के बारे में जो कुछ बताया जा रहा है उसमें प्राइस तो है ही लेकिन क्वालिटी पर भी क्या कोई ध्यान दिया जाता है। पिछले दिनों में देखा गया कि पश्चिम बंगाल में फारेन एडीबुल आयल लाकर कई लोग मारे गये या पंगु हो गये। तो इसके बारे में क्या कोई विचार किया गया है, क्वालिटी कोई फिक्स की गयी है अगर फिक्स की गयी है तो वह क्या है ?

श्री सुख राम : उसका क्वेश्चन आया था और मैंने कह दिया था कि वह तो वेस्ट बंगाल गवर्नमेंट के किसी फेयर प्राइस शाप का है। उनका कोई कसूर था और उसके लिए वेस्ट बंगाल गवर्नमेंट इन्क्वायरी वगैरह कर रही है। क्या फाइनल रिजल्ट आया है यह मुझे मालूम नहीं है।

श्री सुरेन्द्रजीत सिंह अहलुवालिया : मेरे कहने का मकसद यह है कि क्वालिटी कोई फिक्स की है। क्वालिटी का कोई आई.एस.आई. मार्क है।

श्री सुख राम : जो आयल हम स्टेट गवर्नमेंट को देते हैं वह क्वालिटी टेस्ट करके देते है। वह एस.टी.सी. के लेबिल या गवर्नमेंट आफ इंडिया के लेबिल पर एडलट्रेटेड नहीं था।

श्री सुरेन्द्रजीत सिंह अहलुवालिया : जो बाहर से आयल परचेज करते हैं उसके डिफरेंट सैम्पुल्स वगैरह कलेक्ट करते हैं ?.. (**व्यवधान**)

DR. YELAMANCHILI SIVAJI: If the figure of purchase price of STC from the international market is not available, the Minister can still tell us at least the purchase price of Civil Supplies Department from the STC.

SHRI SUKH RAM: It is the STC which is the importing agency and they maintain this account. It is for the Commerce Ministry to answer.

श्री विठ्ठलभाई मंतीराम पटेल : उपसभाध्यक्ष महोदय, ओपेन मार्केट में अगर एडीबुल आयल का प्राइस 16 हजार रुपये टन हो जाये और वनस्पति इंडस्ट्री वाले 16 हजार रुपये टन में खरीदेंगे फिर भी क्या उन्हें ज्यादा भाव लेने की छूट मिलेगी, उसको कम भाव

में बेचने के लिए गवर्नमेंट कुछ करेगी या नहीं ?

श्री सुख राम : आपको शायद यह तो मालूम है कि कुछ आयल जो हमने वनस्पति इंडस्ट्री के लिए बैन्ड रखे है इनमें मस्टर्ड आयल है जो डाइरेक्ट कंज्यूम होता है या ग्राउंड नट आयल है अर्थात ऐसे आयल हैं जो डाइरेक्ट कन्ज्यूम होते हैं, इनमें हम एलाऊ नही करते हैं । साल्वेंट एक्स्ट्रेक्टेड आयल में हम उनको एलाऊ कर रहे हैं ।

THE VICE-CHAIRMAN (SHRI B. SATYANARAYAN REDDY): Now, we have to continue with the earlier discussion. There are three more speakers and even if they take eight minutes each, the discussion will be over by 6.30. If the House agrees, we will continue with it.

SOME HON. MEMBERS: We can continue tommorrow.

THE VICE-CHAIRMAN (SHRI B. SATYANARAYAN REDDY): The House adjourns till 11 A.M. tomorrow..

The House then adjourned at the nine minutes past six of the clock till eleven of the clock on Tuesday the 22nd November, 1988.